

SECOND
ANNUAL REPORT

OF THE

DIRECTORS OF THE MICHIGAN CENTRAL RAIL-ROAD
COMPANY

TO THE

STOCKHOLDERS.

—

JUNE, 1848.

BOSTON:
1848.
EASTBURN'S PRESS.

REPORT.

BOSTON, JUNE 1, 1848.

TO THE STOCKHOLDERS OF THE MICHIGAN CENTRAL
RAIL-ROAD.

THE President and Directors present to you herewith, the several reports of Mr. Upton, the Treasurer, and of Mr. Brooks, the Superintendent and Engineer.

It will be perceived by the Treasurer's report, that notwithstanding the unfavorable condition of financial affairs, here and elsewhere, the credit of our Company has been maintained, that sufficient funds have been procured to carry on their operations with vigor, and that certain large iron contracts which had fallen through have been renewed on lower terms.

The Superintendent's report shows that his work has been pushed forward as fast as it could be done, consistently with economy and thoroughness, and that he has accomplished, during the past year, all that we had expected from his well known energy and zeal.

The business of the road has been more profitable than we had any right to expect from it in its unfinished state. The cost of it, so far as we can judge, while so much remains to be done, promises to be very near the original estimate.

We have availed of the liberty given us in our charter, to build steamboats with extreme reluctance, and only after having become convinced, by a full examination of the question, that it was necessary for the protection of the Compa-

ny and the public, against an organized steamboat combination on the lakes.

We consider it the true policy of the Company to simplify their business to the utmost, and to confine their operations to the usual business of rail road transportation.

We hope and believe that it will be unnecessary for us to own more than the single steamboat now being built, especially if, as we hope, she should prove herself equal in speed and safety to the best boats in this country.

In conclusion, we would congratulate the Stockholders upon the success of our enterprise, thus far, and upon the prospect of its early and satisfactory completion.

By order of the Board,

J. M. FORBES, *President.*

TREASURER'S REPORT.

TO THE DIRECTORS OF THE MICHIGAN CENTRAL RAIL ROAD
COMPANY.

THIS Company having at their last annual meeting, accepted the amendatory act of March 16th, 1847, the time of making up the annual accounts was thereby changed from May 1st to June 1st, of each year.

By the same act, the annual report to the Secretary of State, is to embrace the business of the road for the preceding year, to the 1st day of December,—the semi-annual accounts being made up to that day, much saving of labor is thereby effected, as most of the detail of the statistics of the road, is required for both the report and accounts.

Accompanying this report, I respectfully submit the accounts of the Company, made up to the first instant, and presented through you to the Stockholders.

Since the last annual meeting, two loans have been authorized by the Directors. The first agreeably to the circular from this office of October 1st, 1847, for One million one hundred thousand dollars, payable in bonds of the Company, running from five to ten years, and bearing an annual interest of eight per cent. payable semi-annually. The second, agreeably to circular of March 15, 1848, for Eight hundred thousand dollars, payable in bonds convertible at the pleasure of the holder, on the 1st of January of each year, until their maturity, into stock at par, and bearing an annual interest of eight per cent. payable semi-annually, on the 1st April and 1st October. The full sum of both these loans has been subscribed, and payments on account thereof, have thus far

furnished the Company with the necessary funds to successfully prosecute their labors.

There is now due from the subscription to these two loans about Eight hundred and thirty thousand dollars.

It is impossible, with the very extensive works now in progress and unfinished, to furnish a precise data of the additional wants of the Company;—the estimates of J. W. Brooks, Esquire, Superintendent and Engineer, have been found thus far during the progress of the work, to have been calculated with great exactness. Upon the basis thus furnished, it was estimated at the time of making the last loan that the wants of the Company would require about Two hundred thousand dollars more than was then authorized. The unexampled pressure upon the money market making it necessary, in order to ensure the taking of the loan, that it should be issued in convertible bonds bearing a high rate of interest, determined the Directors to call for no more money under these circumstances than would be absolutely required until the latter part of the present year. The small additional sum required to complete the work, can be, no doubt, obtained under an ordinary money market, either by a sale of stock at par, or by a temporary loan at a reasonable rate of interest, and payable from the future business of the road.

I do not recommend any dividends from the earnings until the 1st December next, when from the increased length of the road and the additional business created thereby, there can be no reasonable doubt of a dividend fully equal in amount to the one made on the 1st of December last,—and as the road will no doubt be completed to Lake Michigan, by the early part of 1849, there seems to be no reason why the dividends should not after the present year be made semi-annually.

In consequence of the suspension of one of the parties with whom the Company had a contract for the delivery in Detroit, of 7,500 tons of rail road iron, at seventy dollars per ton, 4,000 tons of which were to be delivered the present year, it was thought expedient to annul that contract, which was accordingly done with the consent of all the parties in interest.

Another contract has been made with the Agents of an English House, for the delivery of the 4,000 tons wanted for the present year, at the price of fifty-five dollars and twenty-five cents per ton, delivered in New York, and which with the transportation, will cost the Company about sixty-three dollars and fifty cents delivered in Detroit. The last delivery under this contract, will no doubt arrive in this country before the close of the month of August.

The paper herewith accompanying and marked A, is the general account of the standing of the Company, and that marked B, gives the detail of the Income from the purchase of the road of the State to the present time.

It now being determined that our annual accounts shall be made up to the close of the month of May, for future reference and comparison, I have prepared statements of the earnings of the road for the three years preceding.

The papers marked C and D, give the gross earnings of the road for the years ending May 31st, 1846, and May 31st, 1847, and the one marked E, gives the gross earnings, and also the operating accounts for the year just closed, and showing the net earnings thereof.

All of which is respectfully submitted.

GEORGE B. UPTON, *Treasurer.*

*Office of the Michigan Central R. R. Co.
Boston, June 1, 1848.*

DR. MICHIGAN CENTRAL RAIL-ROAD COMPANY, in General Account, Contra. CR.

[illegible]

GEORGE B. UPTON, *Treasurer.*

H.

BOSTON, JUNE 1, 1848.

Date.	Items.					Amount's.	Date.	Items.	Amount.
1848 June	To receipts of road, per Treasurer's report to May 1, 1847, To Receipts from May 1st, 1847, to June 1st, 1848.					209,300 10	1848 June 1	By dividend declared 1st Decem- ber 1847, at 8 per cent.	176,000 00
								By Interest dividend do do	100,751 07
								By operating account per Treas- urer's report to May 1, 1847,	86,167 49
								By operating acc'ts from May 1, 1847, to June 1, 1848	
	May,	27,554 21	13,403 19	54 17	41,011 77		Road repairs,	39,772 13	
	June,	22,641 24	15,369 09	434 50	38,444 83		Building do	1,491 36	
	July,	10,849 50	13,254 96	12 11	24,116 57		Shop do	0,000 00	
	August,	7,708 07	12,369 69	22 08	20,099 84		Locomotive repairs,	31,071 87	
	September,	23,528 61	17,403 13	40,931 74		Car do	22,755 82		
	October,	37,652 16	17,997 80	4,651 00	60,300 96		Locomotive services,	18,465 58	
	November,	38,841 72	11,967 04	50,808 76		Train do	4,058 57		
	December,	11,099 47	6,345 67	17,445 14		Station do	35,715 31		
	1848					Fuel,	22,131 21		
	January,	6,928 93	5,562 40	4,648 00	17,139 33	Stationery,	1,357 96		
	February,	8,798 12	5,131 98	15 50	13,945 60	Incidentals,	3,951 26		
	March,	11,086 00	7,018 32	6 25	18,110 57	Oil,	10,087 39		
	April,	14,012 05	11,222 91	6 25	25,241 21	State tax,	11,000 00—	201,858 46	
	May,	13,948 66	15,006 54	4,496 00	33,451 20			288,025 95	
		234,648 94	152,052 72	14,345 86	401,047 52				
						By balance to new account, -	-	-	45,570 60
									610,347 62
									45,570 60
									610,347 62

1848 June 1	To balance of Income account this day, - - - - -	45,570 60
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1848

June 1 To balance of Income account this day, - - - 45,570 60

E. E.

GEORGE B. UPTON, Treasurer.

BOSTON, JUNE 1, 1848.

C.

Gross Earnings of Road for year ending 31st May, 1846.

Month.	Freight.	Passengers.	Miscellaneous.	Total.
1845				
June, - - -	4,207 61	10,112 34	1,061 76	15,380 71
July, - - -	5,484 74	8,280 94	890 11	14,655 79
August, - -	4,902 90	8,302 13	876 90	14,081 93
September, -	12,677 42	12,961 29		25,638 71
October, - -	30,754 00	13,024 44	660 68	44,439 12
November, -	24,535 63	7,331 44		31,867 07
December, -	12,802 56	4,325 08		17,127 64
1846				
January, - -	13,679 47	4,092 10	1,932 18	19,703 75
February, -	10,006 50	4,247 86		14,254 36
March, - - -	14,651 03	5,118 69	1,919 16	21,688 88
April, - - -	16,260 58	9,459 69		25,720 27
May, - - -	18,572 42	14,346 43		32,918 85
	168,534 86	101,602 43	7,340 79	277,478 08

D.

Gross Earnings of Road for year ending May 31st, 1847.

Month.	Freight.	Passengers.	Miscellaneous.	Total.
1846				
June, - - -	14,475 90	14,626 71	1,065 70	30,168 31
July, - - -	7,054 27	10,417 65	872 71	18,344 63
August, - -	11,151 72	11,259 49		22,411 21
September, -	17,961 02	15,318 41	2,223 54	35,502 97
October, - -	32,325 21	17,758 21		50,083 42
November, -	30,041 89	10,241 85		40,283 74
December, -	14,269 39	5,395 50		19,664 89
1847				
January, - -	9,926 11	4,207 18		14,133 29
February, -	14,158 13	4,739 58	554 21	19,451 92
March, - - -	17,964 76	5,051 38	83 14	23,099 28
April, - - -	23,038 01	9,411 57	950 31	33,399 89
May, - - -	27,554 41	13,403 19	54 17	41,011 77
	219,920 82	121,830 72	5,803 78	347,555 32

Month.	Freight.	Passengers.	Miscellaneous.	Total.	Accounts.	Amount.
1847						
June, - - -	22,641 24	15,369 09	434 50	38,444 83	Road repairs, - - -	36,926 34
July, - - -	10,849 50	13,254 96	12 11	24,116 57	Building repairs, - -	1,445 78
August, - -	7,708 07	12,369 69	22 08	20,099 84	Shop repairs, - - -	
September,	23,528 61	17,403 13		40,931 74	Locomotive repairs -	28,996 71
October, - -	37,652 16	17,997 80	4,661 00	60,300 96	Car repairs, - - -	22,224 21
November,	38,841 72	11,967 04		50,808 76	Locomotive services, -	17,227 63
December,	11,099 47	6,345 67		17,445 14	Train, - - - - -	3,854 92
1847						
January, -	6,928 93	5,562 40	4,648 00	17,139 33	Station, - - - - -	32,743 59
February, -	8,798 12	5,131 98	15 50	13,945 60	Fuel, - - - - -	21,019 66
March, - -	11,086 00	7,018 32	6 25	18,110 57	Stationery, - - - -	1,338 21
April, - - -	14,012 05	11,222 91	6 25	25,241 21	Incidentals, - - - -	3,748 27
May, - - -	13,948 66	15,006 54	4,496 00	33,451 20	Oil, - - - - -	10,087 39
					State Tax, - - - -	11,000 00
	207,094 53	138,649 53	14,291 69			190,612 71
				360,035 75		
					By balance to new Account, - -	169,423 04
				\$360,035 75		\$360,035 75

SUPERINTENDENT AND ENGINEER'S

REPORT.

To the President and Directors of the Michigan Central Rail Road Company:

THE following Report upon the progress and business of the road, is respectfully submitted.

The grading for the extension of the road commenced in the latter part of March, 1847, at which time the first thirteen miles west of Kalamazoo were put under contract.

This portion of the line was common to both the St. Joseph and New Buffalo routes, from being much the most practicable passage through the range of hills, extending from a considerable distance north of here to the State of Indiana, over which it crossed in a diagonal direction.

In the following August, immediately after the route to New Buffalo was adopted, the balance of the line was put under contract; the contracts requiring the earliest practicable completion of the whole work. The principle difficulties in the way of an early completion of the line east of the village of Niles, were a heavy section of sand work about eleven miles from Kalamazoo; a swamp four miles long and eight miles further west, and a second swamp three and a half miles long and ten west of the first; the two latter having mostly to be filled from the ends.

West of Niles the character of the work is less favorable, being much of it clay; and in the vicinity of Niles and New Buffalo, some heavy work occurs, while in the central portion of this part of the line the country is low, and wet, and so much so that but little progress has been made in this part of the line. Last autumn it was expected, with an ordinary winter, this portion of the work could be carried on

while the ground was frozen, but the mildness of the season made it wholly impracticable to do so, and for the same reason it could not be commenced in the early spring. It has been in a condition to work for about two months, and it is hoped that by the autumn, a large portion of this work may be completed.

The grading is completed and the road bed ready for the superstructure upon the first eighteen miles west of Kalamazoo. Of the remaining distance of thirty miles to Niles, twenty-three miles are ready for the superstructure, leaving only seven miles yet to be graded.

It is expected that the first long swamp will be filled by the twentieth of June, and the other by the tenth of August next, at which time the whole grading to Niles will probably be completed.

Between Niles and New Buffalo, a distance of twenty-seven miles, thirteen miles are graded and the balance remains yet to be done.

The rails are laid west of Kalamazoo seven miles, and the work going on at the rate of about a half a mile per day.

It is expected the road may be opened for use to Paw Paw, sixteen and a half miles, by the first day of July; to Decatur, a further distance of eight miles, by the first of August, and to Niles by the first of October next, if no delay is occasioned by the late arrival of the iron.

The balance of the line to New Buffalo may be opened by December, 1848, or early in the following spring.

The Depot buildings at Niles and between that place and Kalamazoo, are in a forward state, and will be in readiness when wanted for business.

The locations for Depot buildings west of Kalamazoo, as far as the same have been determined, are as follows :

Paw Paw from Kalamazoo,	. . .	16 $\frac{1}{2}$ miles.
Decatur from Paw Paw,	. . .	8 "
Dowagiac from Decatur,	. . .	11 "
Niles from Dowagiac,	. . .	12 $\frac{1}{2}$ "
New Buffalo from Niles	. . .	27 "
		— "
Total distance,	. . .	75 "

Between Niles and New Buffalo Depot buildings will be required in two places, the locations for which are not definitely determined. Between most of these depots, signal stations will be placed, at convenient distances for the accommodation of the public; the location of some of which are not yet fixed, but will be so as fast as the opening of the line may require.

At Niles, two Depot buildings for freight are being constructed, one for the accommodation of the village and vicinity, and the other for the accommodation of the St. Joseph river trade; the lower floor of the latter will be fifty-two feet above the river, over an arm of which it is placed. In this will be provided elevators for grain and other produce, and the means of elevating and lowering merchandise generally,—all to be operated by steam power.

The trade of this river,—being navigable about one hundred miles above Niles and fifty-five below,—will be very considerable, though the proximity of the rail road line to some portions of its valley, is such as to draw large portions of freight directly to the road, which have heretofore gone upon the river.

Great inconvenience was experienced in the procuring of timber for the construction of the harbor at New Buffalo, from the mildness of the winter and absence of snow; the timber of that section of country being all upon low clay lands. This work however will be completed during the present season.

Upon that portion of the old road between Ypsilanti and Dexter, along the valley of the Huron river, several improvements in the line have been commenced, and some of them nearly completed. It has been found expedient to extend these improvements in straightening the line, much beyond what was at first anticipated. In these are involved something over five and a half miles of new road, in five different places, requiring, besides smaller bridges and culverts, ten new bridges across the Huron river, each from 250 to 500 feet in length. These new pieces are nearly all straight lines, with a small proportion of very easy curvature, taking the place of very short and objectionable curves upon the old

line,—and when brought into operation will shorten the road about two and a third miles. They will probably all be in use in August next.

At Marshall, to avoid two short curves, a new line is being constructed, about one and a quarter miles long; this will shorten the line about one fourth of a mile.

The four principal bridges across the Kalamazoo river, between Marshall and Kalamazoo, have been rebuilt; they were nearly new, but not of sufficient strength for the large locomotives now in use.

Upon the first fifty miles from Detroit, all the long bridges will be rebuilt this season; most of them are commenced and some are already completed.

Between Detroit and Jackson, forty-five miles of the road have been relaid with the heavy rail. If the iron arrives promptly, it is expected the whole of this will be relaid by the middle of September next. This distance to Jackson is now seventy-seven miles, but by the decrease in distance to the new terminus at Detroit, and by the new lines in the Huron valley, it will be reduced to about seventy-four miles.

The works at the Detroit terminus are nearly completed. The principal wharf, upon which the freight depot is constructed, is 1090 feet long, and built upon a straight line. The water here is from twelve to twenty feet deep, with hardly a perceptible variation at the different seasons of the year.

When the ground for this terminus was purchased, about four hundred and seventy feet of the wharf was built, and four acres of the ground filled in. This wharf was not constructed permanently enough to answer our purpose, and was rebuilt at the time the rest of the wharf was constructed.

The filling in of the grounds was too low for the grade of the road, and most of it has been raised to the proper height; the balance of the filling over a surface of nearly seven acres and from eight to twenty-five feet deep, is nearly completed.

Another piece of water front, also belonging to the company and situated a little west of the main terminus, and through which the main track of the road runs, extends nearly 660 feet, and contains about six acres. No streets

were ever laid out upon this ground, and those which were upon the grounds of the main terminus have been taken up; the whole grounds of the company here, can therefore be fenced in if deemed desirable.

The new passenger depot here, 325 by 75 feet, is finished and in use.

The principal freight depot of brick, 800 by 100 feet, is completed and the lower floor in use. The machinery for hoisting and elevating to the second floor, will be ready for use by the commencement of the fall business. In addition to this, the company have warehouses upon the dock which will store over 25000 barrels.

The machine shop at this place (of brick) for the repairs of locomotives and the iron work of cars, is completed, and a part of its stationary machinery now in operation.

The main body of this building is 64 by 90 feet, with two stories and an attic story; the right wing is 40 by 63 feet, and the left wing 40 by 48 feet, both two stories high. In the lower stories of the wings are the blacksmith and boiler shops. Adjoining the main building is a circular engine house, 130 feet in diameter, with a turntable in the centre, and tracks for sixteen locomotives.

The shop for the repairs of cars, 55 by 169 feet, is not yet built; most of the materials are in readiness and the work considerably advanced.

The steam engine, now driving the machinery in the machine shop, will also be connected with the car shop, and drive the necessary machinery there.

When these buildings are all completed, the construction of cars can be carried on here as advantageously as at any shops in the country, as well as the construction of locomotives, should it be deemed expedient to build them.

The central depot for the storing of locomotives and cars, has been fixed at Marshall, which, when the improved lines are brought into use, will be 106 miles from Detroit. From Marshall to New Buffalo, the distance will be 111 miles; the trains upon the western part of the line will be enough lighter, and the line sufficiently easier, to fully equalize the service upon the two parts. The machine shop and engine

house at this point, will be of stone ; they are under contract and just commenced.

The machine shop for the repairs of locomotives, is 50 by 100 feet, of two stories, with a wing 42 by 50 feet. The engine house is in the form of a half circle, 248 feet in diameter, and will contain twenty-three locomotives ; this can be conveniently enlarged to hold many more, when it shall be necessary.

Ample depot grounds have been purchased at all of the principal stations upon the line between Detroit and Kalamazoo, and many of the necessary buildings erected, among the largest of which, are four freight depots, each 50 by 200 feet.

Considerable progress has been made in the preparation of a more extensive system of turn-outs at several of the stations, which will have to be continued, till all the stations of the old line shall be re-arranged in this particular.

The prices charged by steam boats, for the carriage of passengers between Detroit and Buffalo, a distance of about two hundred and fifty miles, have never been satisfactory to the officers of the State in charge of the road before its sale, nor to those of the company since. The price has most uniformly been half the price to Chicago, while the distance on the direct route, is but little over one fourth.

In consideration of the large number of steam boats upon the lakes, owned by many different associations and individuals, it might be supposed that a natural competition would regulate this to the satisfaction of all, but such has not been the fact. An association of interests has been formed nearly every year for a long time, under which a large number of boats are "laid up," and the public are charged prices for the use of the balance, sufficient to pay liberally upon the capital invested in the whole ; thus the addition of more steam boats fails to reduce the price, while the associated interest endeavors in various ways to promote the travel "through the lakes" and cut off the cross travel from the road.

The usual price from Detroit to Buffalo for the last few years, has been six dollars for a cabin, and three dollars for a steerage passenger. This system has been so well managed,

and a unity of interest so well preserved, that to all appearance, its operations seem like that of a single joint association, in the management of an individual property.

This state of things has made it necessary for the Company to commence the construction of steam boats, for the protection of its interest in the through travel, as well as to exercise an influence in favor of fair prices for their local travel.

But one has been commenced, and it is hoped and believed that this will answer the end desired; it certainly will, if steam boat owners study and understand their own interest, for it must be for their interest to do the business between our road and Buffalo at fair prices, rather than lose it entirely.

The keel of this boat has not been laid, though it is in frame and considerably advanced. The keel would have been laid before, but the ground has not been ready, but will be so now in a few days.

The engine for it is in a forward state, and nothing will be likely to prevent its being in readiness at the opening of navigation next season, which is as soon as it will be required.

The working stock upon the road, has been much improved and increased during the past year.

All the freight cars purchased of the State, were found to be too lightly constructed, so much so, that the repairs and renewals upon them per year, for several years, have exceeded fifty per cent. per annum upon their entire value.

The trucks and entire running parts of the whole, have been renewed, as also all of the frames of the single cars, and the bodies of the double cars newly braced, and the whole put in complete order.

THE PRESENT STOCK IS AS FOLLOWS:

18 double covered Cars, rebuilt, equal in single cars to	36
61 single covered " " " " "	61
37 double covered Cars, new, " " "	74
10 single open " " " " "	10
50 double " " " " "	100
Total Freight Cars, reckoned as single, . . .	<hr/> 281

Gravel Cars,	.	.	.	.	.	.	.	46
Hand Cars,	.	.	.	.	.	.	.	11
Repairing Cars,	.	.	.	.	.	.	.	35

PASSENGER CARS.

2 of 28 seats each, bought of State,	.	.					56 seats.
1 of 48 " " " " " "	.	.	.	.	.	.	48 "
4 of 52 " " " " " "	.	.	.	.	.	.	52 "
2 of 48 " each " " and rebuilt,							96 "
*1 of 60 " " " " " "	.	.	.	.	.	.	60 "
*1 of 48 " " " " " "	.	.	.	.	.	.	48 "
2 of 67 " each, new (Saloon Cars,)	.	.					134 "

10 Cars in all, with 494 "

4 baggage Cars, (no new ones have been built yet.)

* These are the first two that were built for the road, and will be used but a short time longer.

RECAPITULATION.

Freight cars reckoned as single,	.	.	.	.	.	.	281
Gravel Cars,	.	.	.	.	.	.	46
Hand do.	.	.	.	.	.	.	11
Repairing do.	.	.	.	.	.	.	35
Passenger do.	.	.	.	.	.	.	10
Baggage do.	.	.	.	.	.	.	4
Total Cars,	.	.	.	.	.	.	<hr/>387

In addition to the above, there are now completed forty-one double freight car bodies, the trucks for which are in preparation, and will be completed immediately on the arrival of wheels and axles.

This number will be increased to about eighty-five double cars, by the commencement of the fall business, when we shall have a stock of about four hundred and fifty, which will be increased by the opening of business in the spring, to near six hundred, reckoned as single cars.

Two new passenger cars of seventy-six seats each, are nearly completed, and will be finished in three or four weeks; two more of seventy-six seats each, and two more saloon cars of sixty-seven seats each, will be finished in about ten weeks, and four more of similar size are commenced. When these

are completed, we shall have seats for over 1100 passengers. This however will need to be increased considerably, for the business of next season.

There are no car shops in this section of country, and therefore, excepting the building of a few freight car bodies, the whole has been done by the company. It is believed that much better and more durable stock is procured in this, than in the ordinary way of procuring it by contract.

The stock of locomotives, purchased of the State, were six of about ten tons each, and one of about twelve tons. To these have been added two freight engines of nineteen tons each, one of twenty-one tons, and five passenger engines of about eighteen tons each; making the present stock as follows:

6 ten ton Locomotives,	6	wheeled with	2	drivers.
1 twelve ton	"	8	"	4
5 eighteen ton	"	8	"	4
2 nineteen ton	"	8	"	4
1 twenty-one ton	"	1	"	4
1 one and a half	"	4	"	2

16 Locomotives in all.

In addition to these, there have been ordered to be delivered in June, July and August of the present year, as follows:

5 eighteen ton passenger engines, 8 wheeled, with 4 drivers each.

5 twenty-four ton freight engines, 10 wheeled, with 6 drivers each.

It is believed the freight engines to be delivered this season, will be very effective, while, from their extra number of drivers, a greater weight than usual will not rest upon one point, to the injury of the road.

The disbursements on account of construction, from the 23d of September, 1846, the date of the purchase of the road, to the 31st of May, 1848, inclusive, will be found in statement F.

A large amount of service has been performed by the operating department of the road, for the construction department, during nearly the whole of the above period, for which no charge has been made.

The expenditures by the operating department, on account of construction, are deemed more than sufficient to fully compensate, for the small amount of interest which has been paid upon that portion of the capital, the avails of which, are in the use of the operating department.

For this reason, the whole amount of this interest has been charged to construction, and no allowance has been made for depreciation in any of the property of the company.

The earnings and expenses for operating the road, for the thirteen months ending May 31st, 1848, are as follows :

FROM PASSENGERS.

Through Passengers Westward, . . .	26,567.30
Through do. Eastward, . . .	26,237.41
<hr/>	
Total for through Passengers, . . .	52,804.71
Way Passengers Westward, . . .	51,719.69
Way do. Eastward, . . .	47,528.32
<hr/>	
Total from Way Passengers, . . .	99,248.01
Total from Passengers, . . .	\$152,052.72

FROM FREIGHT.

Transportation of Wheat and Flour, . .	137,902.38
do. other freight, . . .	96,746.56
<hr/>	
Total from freight, . . .	\$234,648.94
Miscellaneous, including transportation of mail, . . .	14,345.86
Total receipts, . . .	\$401,047.52
Total expenses per statement J, . . .	\$201,858.46

NUMBER OF PASSENGERS.

Through Passengers Westward, . . .	7,333 $\frac{1}{2}$
Through do. Eastward, . . .	7,034 $\frac{1}{2}$
<hr/>	
Total through Passengers, . . .	14,368
Way Passengers Westward, . . .	34,210 $\frac{1}{2}$
Way do. Eastward, . . .	31,652 $\frac{1}{2}$
<hr/>	
Total Way Passengers, . . .	65,363
Total number of Passengers, . . .	80,231

The change in the time of making up the annual accounts, from the first of May to the first of June, requires the reports for the past year to cover a space of thirteen months.

The business of the road for the past few months, has not been quite as satisfactory as some of its friends may have anticipated. For this there are strong and evident reasons. The wheat crop of last year was much smaller, than it was believed to be at the close of navigation.

The freedom with which it went forward in the fall, was the principal cause of this erroneous impression.

With the failure, in part, of this great staple, might be expected a like decline in all branches of business in our State.

This has undoubtedly been its effect, though it has not reduced the income of the Company from the balance of its business, below that of the previous year, but has taken away a large proportion of its natural increase.

The statements marked G, H, and I, will serve to show what effect the failure, in part, of this portion of our business, has had upon the balance.

Statement J, contains the operating expenses of the road, statement K, the earnings of the road, and statement L, the number of miles run by the Locomotives of the Company, to which statements reference is made for these accounts in detail.

When the road is extended to the lake, and doing the through passenger business, and perhaps a portion of the freighting of light merchandize, for the country on the west side of Lake Michigan, a less proportion of its receipts will be affected by a failure like that of the past year in the wheat crop of this State.

There is, without doubt, in Michigan too, much reliance placed upon a single staple, when that is subject to the uncertainties incident to wheat: other crops of the coarser grains can be raised here, the labor upon which occurs at a season of the year not interfering with its production, and there is evidently a growing disposition, on the part of our agricultural population, by the cultivation of other crops, to secure a more steady and uniform return for their labors,

while it can be done without decreasing the crop or general cultivation of their great staple.

The prosperity of our Company is so intimately connected and interwoven with that of the State, that all must acknowledge their interests to be identical.

Having so large a property here, it may perhaps be our duty, as a portion of the public, and it certainly is for our interest, to do what we can in a proper and legitimate way, to promote the welfare and prosperity of that people, upon whose very prosperity rests the whole value of our enterprise.

With this view of our position and interest, a new freight tariff is being prepared, to go into operation on the first of July next. This time has been selected for its operations to commence, as it corresponds with the time when some portions of the tariff are to be reduced, to conform to section fifteen of the act incorporating the Company.

The prices charged heretofore by the State, upon many articles of low and medium value, were nearly prohibitory, — among which are coarse grains, plaster and lumber, except when carried short distances.

These, and many other articles now carried but very little upon the road, would most likely be carried in large quantities, with a proper adjustment of the freight tariff.

I am very respectfully,

Your obedient servant,

J. W. BROOKS,
Superintendent and Engineer.

*Michigan Central R. R. Office, }
Detroit, June 3d, 1848. }*

F.

Statement of disbursements on account of Construction, from September 23d, 1846, to May 31st, 1848, inclusive.

Accounts.	Amount.
Land,	\$128,214 65
Grading,	372,650 90
Bridging,	64,898 00
Superstructure,	652,148 32
Fencing,	9,006 81
Buildings,	125,289 27
Shops,	35,831 86
Locomotives,	66,463 79
Cars,	162,647 81
*New Buffalo Harbor,	44,485 93
Steam Boat,	17,892 73
Interest Account,	34,024 74
Incidentals,	26,187 48
Engineering,	37,906 63
Total,	\$1,777,648 92

* In this is included the cost of a long bridge across the Galien River to the Harbor Piers, which has been somewhat expensive, the mud there being from 50 to 80 feet deep.

G.

Statement of Flour, and Wheat as Flour, (at $4\frac{1}{2}$ bushels of wheat per barrel of flour,) carried upon the road, from September 23d, 1846, to May 31st, 1848, inclusive.

Months.	Bbls. of Flour.	Amount Received.	Months.	Bbls of Flour.	Amount Received.
			1847		
			June,	28,061	\$ 11,281 51
			July,	10,652	4,397 25
			Aug.	5,303	2,355 76
1846					
Sept'r, 8 days,	8,502	\$ 2,972 54	Sept'r,	29,995	12,906 95
October, . . .	68,459	23,500 90	Oct'r,	56,987	24,256 00
November, . .	56,245	20,742 45	Nov'r,	58,687	24,578 60
1847					
December, . .	23,668	9,770 28	Dec'r,	9,518	4,049 62
			1848		
January, . . .	23,457	8,182 71	Jan'y,	9,633	4,224 60
February, . .	31,774	12,663 07	Feb'y,	11,735	5,559 62
March,	38,840	14,588 47	March,	17,970	8,345 67
April,	46,536	18,744 64	April,	21,612	9,976 40
May,	49,478	19,723 74	May,	13,557	6,246 66
Total,	346,959	\$130,888 80	Total,	273,712	\$118,178 64

H.

Statement of the amount received for the Transportation of other Freights, than flour and wheat, from September 23d, 1846, to May 31st, 1848, inclusive.

Months.	Amount Received.	Months.	Amount Received.
		1847	
		June,	11,359 73
		July,	6,452 25
		August,	5,352 31
1846		September, . . .	10,621 66
Sept'r 8 days and		October,	13,396 16
October,	\$11,080 82	November, . . .	14,263 12
November, . . .	9,299 44	December, . . .	7,049 85
December, . . .	4,499 11	1848	
1847		January,	2,704 33
January,	1,743 40	February, . . .	3,238 50
February, . . .	1,495 06	March,	2,740 33
March,	3,376 29	April,	4,035 65
April,	4,293 37	May,	7,702 00
May,	7,830 67		
Total,	\$43,618 16	Total,	\$88,915 89

I.

Statement of the number of Passengers and Passenger Receipts, from September 23d, 1846, to May 31st, 1848, inclusive.

Months.	No. of Passengers.	Receipts.	Months.	No. of Passengers.	Receipts.
1846			1847		
Sept. 8 days, and October,	10,716 $\frac{1}{2}$	\$21,712 83	June, . .	7,524	\$15,369 09
November, .	5,980	10,241 85	July, . .	6,744	13,254 96
December, .	3,877 $\frac{1}{2}$	5,395 50	August, .	6,471	12,369 69
1847			September	8,637	17,403 13
January, . .	2,991 $\frac{1}{2}$	4,207 18	October,	8,759 $\frac{1}{2}$	17,997 80
February, .	2,727	4,739 58	November,	5,891 $\frac{1}{2}$	11,967 04
March, . . .	3,397 $\frac{1}{2}$	5,051 38	December,	4,143 $\frac{1}{2}$	6,345 67
April, . . .	4,957 $\frac{1}{2}$	9,411 57	1848		5,562 40
May,	6,575 $\frac{1}{2}$	13,403 19	January,	4,103	
Total,	41,223	74,163 08	February,	3,694	5,131 98
			March, .	4,475	7,018 32
			April, . .	5,773	11,222 91
			May, . .	7,440	15,006 54
			Total, . .	73,655 $\frac{1}{2}$	138,649 53

J.

Statement of the Monthly Disbursements on account of operating the Road, from May, 1847, to May, 1848, inclusive.

Accounts.	1847 May.	June.	July.	August.	Sept'r.	October.	Nov'r.	Dec r.	1848 January.	February.	March.	April.	May.	Totals.
road repairs, - - -	2,845 79	5,365 00	2,964 32	3,167 07	2,274 23	3,045 63	3,803 95	3,514 06	2,790 35	2,312 47	2,075 37	3,208 55	2,404 34	39,772 13
building do - - -	45 58	95 87	- - -	- - -	- - -	141 05	142 35	870 60	34 91	11 94	133 06	16 00	- - -	1,491 36
rep do - - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
ocomotive repairs, -	2,075 16	1,853 70	3,083 41	3,275 71	1,625 56	3,428 31	3,137 78	4,259 45	1,412 07	1,234 23	1,938 91	1,654 03	2,093 55	31,071 87
car repairs, - - -	531 61	1,288 09	2,282 20	3,026 94	1,443 27	941 63	1,318 05	4,132 03	2,384 87	611 17	1,953 09	1,192 36	1,650 51	22,755 82
ocomotive services	1,237 95	1,011 90	1,559 82	1,089 26	1,093 78	1,905 44	2,023 02	1,201 21	1,498 30	1,355 25	1,579 37	1,328 07	1,582 21	18,465 58
ain services, - - -	203 65	183 34	236 34	213 34	213 34	256 54	383 92	460 75	451 35	406 00	380 00	350 00	320 00	4,058 57
ation do - - -	2,971 72	2,852 36	2,359 15	2,171 70	2,606 90	3,472 82	4,151 69	2,657 41	2,584 16	2,289 67	2,511 73	2,442 05	2,643 95	35,715 31
uel, - - -	1,111 55	737 86	721 24	1,201 82	421 26	676 50	733 36	1,505 31	2,524 27	4,290 48	4,737 22	2,503 24	967 10	22,131 21
l, - - -	- - -	1,818 89	314 52	237 08	402 86	468 17	5,818 74	34 41	278 23	54 96	53 91	55 87	549 75	10,087 37
ationary, - - -	19 75	101 11	506 46	38 06	198 47	- - -	80 10	109 54	72 50	- - -	78 39	132 08	21 50	1,357 96
idental, - - -	202 99	122 77	312 33	160 15	379 42	940 59	236 48	515 03	350 62	72 39	231 85	286 73	139 91	3,951 26
ate tax, - - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	11,000 00	- - -	- - -	- - -	- - -	11,000 00
Totals, - - -	11,245 75	15,431 89	14,339 79	14,581 13	10,659 09	15,276 68	21,829 44	19,259 80	25,381 63	12,638 56	15,672 90	13,168 98	12,372 82	201,858 46

K.

Statement of the Earnings of the Road from May 1st, 1847, to June 1st, 1848.

Months.	Freight.	Passengers.	Miscellaneous.	Total.
1847				
May, - - -	27,554 41	13,403 19	54 17	41,011 77
June, - - -	22,641 24	15,369 09	434 50	38,444 83
July, - - -	10,849 50	13,254 96	12 11	24,116 57
August - - -	7,708 07	12,369 69	22 08	20,099 84
September, -	23,528 61	17,403 13		40,931 74
October, - -	37,652 16	17,997 80	4,651 00	60,300 96
November, -	38,841 72	11,967 04		50,808 76
December, -	11,099 47	6,345 67		17,445 14
1848				
January, - -	6,928 93	5,562 40	4,648 00	17,139 33
February, -	8,798 12	5,131 98	15 50	13,945 60
March, - - -	11,086 00	7,018 32	6 25	18,110 57
April, - - -	14,012 05	11,222 91	6 25	25,241 21
May, - - -	13,948 66	15,006 54	4,496 00	33,451 20
Totals, - - -	234,648 94	152,052 72	14,345 86	401,047 52

L.

Statement of Miles run by Locomotives from May 1st, 1847, to May 31st, 1848, inclusive.

Months.	Passenger Trains.	Freight Train.	Gravel Train.	Hauling Wood.	Hauling Timber and Iron.	Totals.
1847						
May, - - -	8,430	11,930			980	21,340
June, - - -	8,580	7,420		680	2,630	19,310
July, - - -	8,890	7,880	1,180	160	3,250	21,360
August, - -	8,541	9,679	528		3,482	22,230
September, -	8,150	10,952	1,248		3,130	23,480
October, - -	8,970	13,770	840		4,595	28,175
November, -	8,600	22,685			480	31,765
December, -	8,113	5,186	1,517	999	4,864	20,679
1848						
January, - -	7,589	4,481	2,574	666	4,351	19,661
February, -	7,300	4,622	3,228		6,108	21,258
March, - - -	7,974	6,082	4,053	150	2,952	21,211
April, - - -	7,517	6,811	4,065	155	1,790	20,338
May, - - -	7,852	6,637	3,761		4,340	22,590
Totals, - -	106,506	118,135	22,994	2,810	42,952	293,397